



Sample Loan Sale \$200,000.00

A typical transaction for a participating lender goes as follows:

Loan Amount (Total)	200,000.00	
Guaranteed Portion (90%)	180,000.00	
Unguaranteed Portion	20,000.00	
Loan Term	10 Year	
Borrower Interest Rate	Prime + "0"	3.25%
Servicing Fee (on portion sold)	1.325%	
Price Received on Loan	100	0 % Premium

Institution's net profits in the year of sale are as follows:

Guaranteed Portion Sold	180,000.00	
X Premium on Loan Sale	0	0.00
Net Profits on Sale		0.00

Institution's net yearly income for servicing:

(in year of sale and every year thereafter)

Balance on Guaranteed Loan Portion	180,000.00	
X Net Servicing Fee	1.325%	2,385.00
+ Balance on Unguaranteed Loan Portion	20,000.00	
X Borrower Interest Rate	3.25%	650.00
Net Yearly Income		3,035.00

Net Yearly Income plus profit on sale	3,035.00	
/ Cash Invested (unguaranteed portion)	20,000.00	
Yield 1st year	15.175%	
Net Yearly Income	3,035.00	
/ Cash Invested (unguaranteed portion)	20,000.00	
Annual subsequent years	15.175%	

Approximate Annual Return Prime + 11.925%